



# **The Evolving Value-Based Healthcare Landscape: Opportunities for the National Diabetes Prevention Program**

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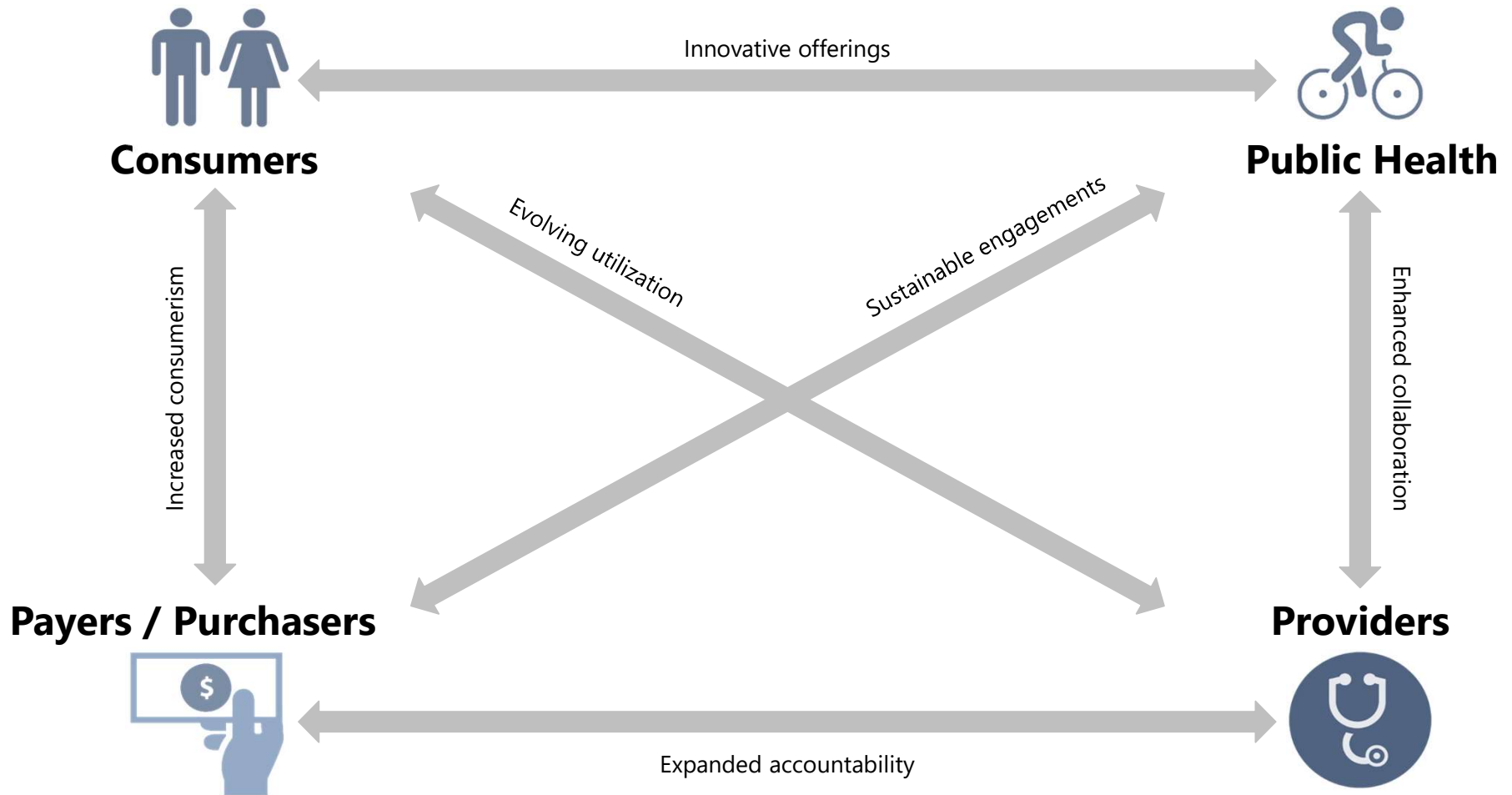
April 17, 2018

# Objectives

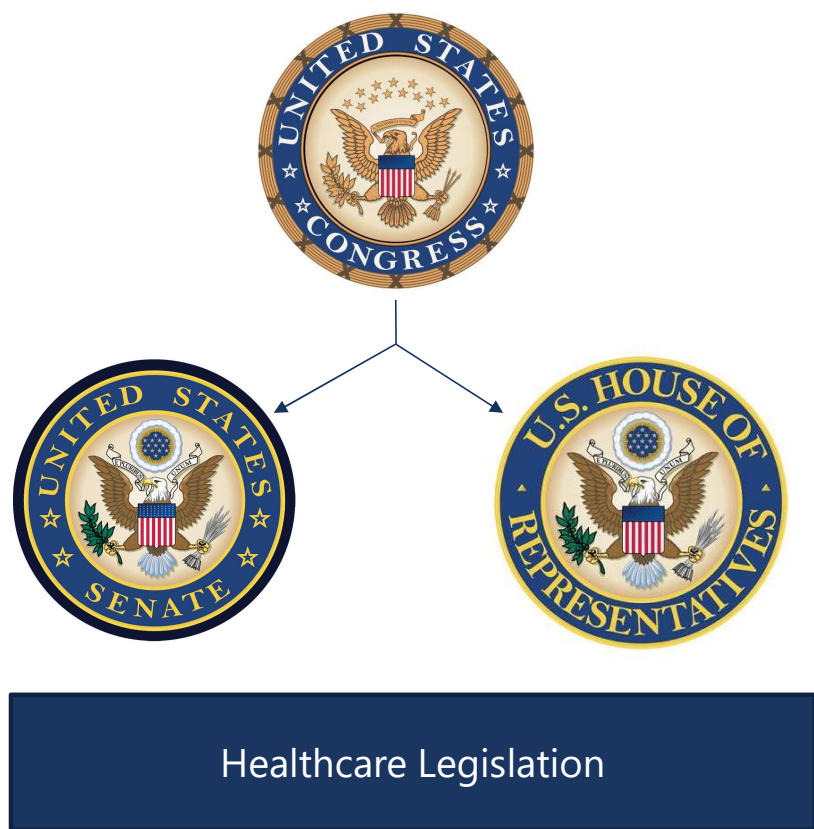
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1. Educate about the evolving relationships and innovation facing the value-based healthcare economy.
2. Detail the intersection of payment and policy at the Federal level and the respective state level.
3. Provide insight on how payer, purchaser, and provider organizations can play critical roles in the National DPP moving forward, particularly financial coverage.
4. Outline headwinds and tailwinds to the National DPP growth and highlight the National DPP Coverage Toolkit.

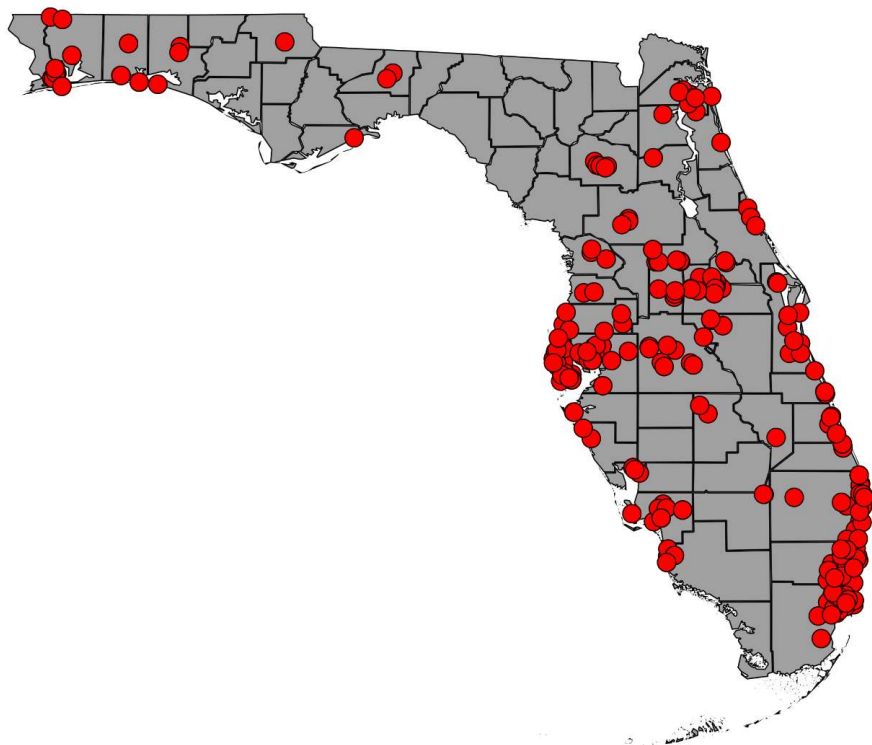
# Evolving Relationships



# The Health Policy Landscape



# Florida Value-based Innovation

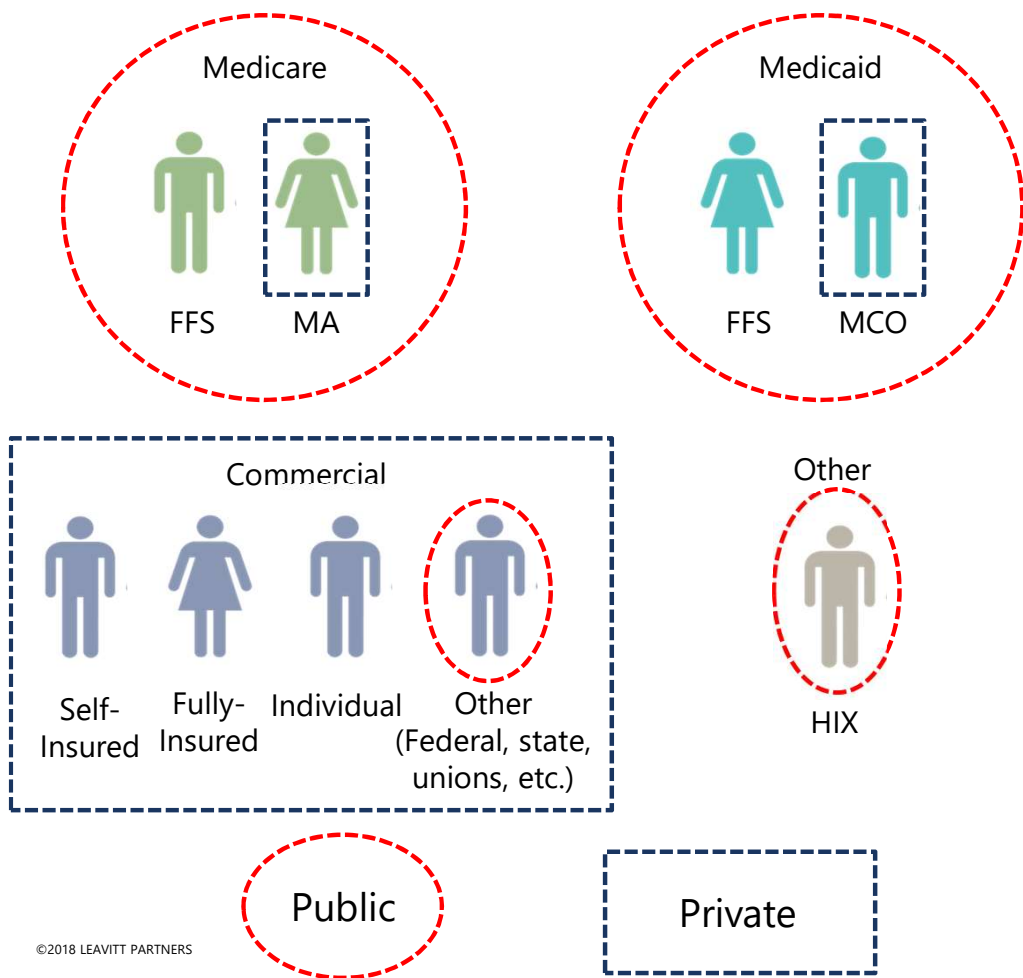


## 15 Models Across 38 Counties

- **Value-Based Payment & Care Delivery Models**
  - BPCI Initiative Models 2 & 3 [63]
  - Comprehensive ESRD Care Model [1]
  - Medicare Care Choices Model [8]
  - ACO Investment Model [2]
  - Advance Payment ACO Model [9]
  - Next Generation ACO Model [4]
  - FQHC Advanced Primary Care Practice Demonstration [13]
  - Independence at Home Demonstration Model [1]
  - Part D Enhanced Medication Therapy Model [2]
  - Oncology Care Model [9]
- **Cardiac Care Models**
  - Million Hearts: Cardiovascular Disease Risk Reduction Model [20]
- **Other Models**
  - Strong Start for Mothers and Newborns Initiative [12]
- **Models Run at the State Level**
  - Health Care Innovation Awards [7]
  - Health Care Innovation Awards Round Two [3]
  - Transforming Clinical Practices Initiative [2]

Source: CMS Innovation Center, 2017

# Types of Insurance



## Medicare

**FFS:** Hospital and Medical coverage administered directly through the federal government

**MA:** Medicare Advantage plans sold by private insurance companies that provide Medicare benefits

## Medicaid

**FFS:** Insurance coverage administered jointly through federal and state governments to low-income individuals/families

**MCO:** Managed Care Organizations provide delivery of Medicaid health benefits via contracts with a state Medicaid agency

## Commercial

**Self-Insured:** Employers accept financial risk and administers its own health insurance plan (82% of employers with 500+ employees self-insure\*)

**Fully-Insured:** Employers pay an insurance company who assumes financial risk for their employees

**Individual:** Consumers purchase individual/family plans from private insurance companies and pay full premiums out of pocket

**Other:** Group coverage obtained through an option not associated with an employer, HIX, or individual plan; i.e., federal, state, or union plans, etc.

## Other

**HIX:** Consumers purchase individual/family plans from the state- or federally-based insurance exchange; federal subsidies are available based on income to reduce monthly premiums

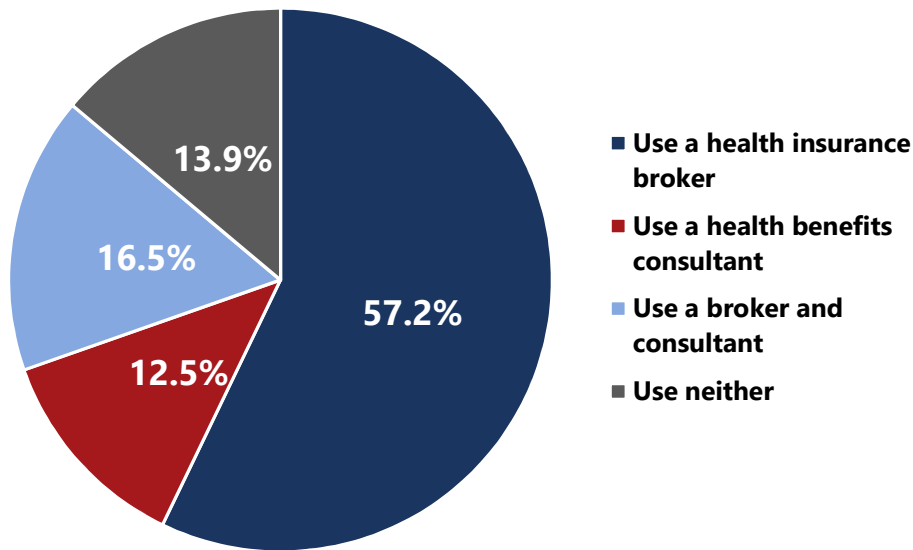
\*Source: Department of Health and Human Services, 2017

# Brokers / Benefits Consultants

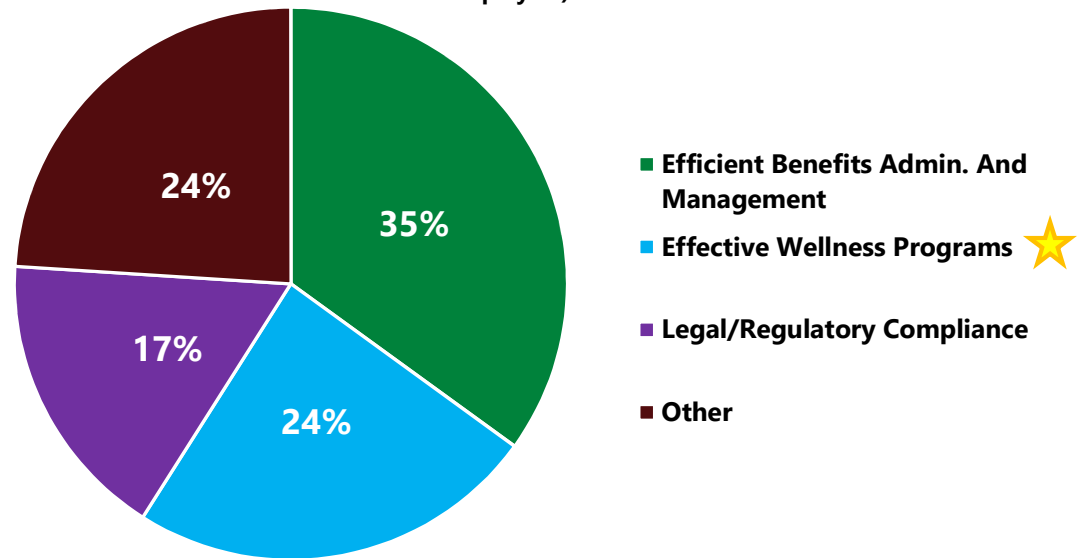
**Benefit Consultants** advise employers on an array of employee benefits – insurances, investing, legal, health/wellness, etc.

**Brokers** match employers' needs (i.e. health insurance) to the right seller (i.e. payer) at the optimal price. Remember, self-insured employers bear financial risk for employee health, but still contract with a third-party payer for administrative capabilities. Fully-insured employers shift the financial risk and administration to a payer.

### Employer Use of Brokers and Benefit Consultants

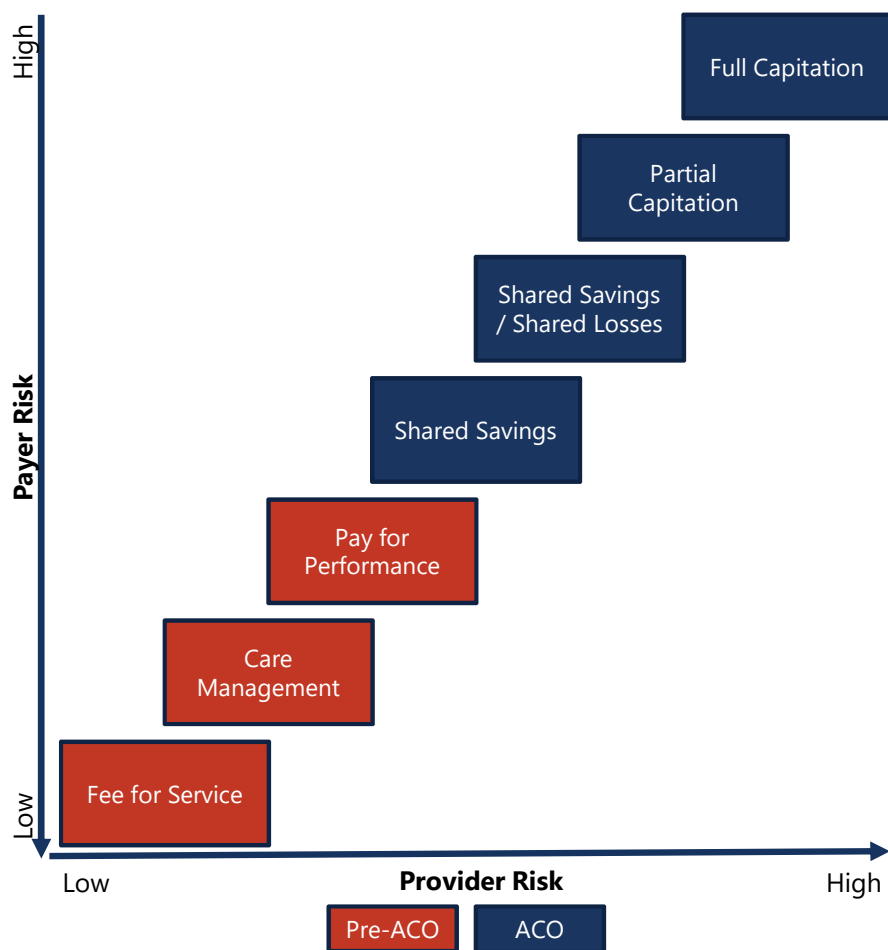


### Most Important Function of a Benefits Program (Ranked by Employers)



Source: Leavitt Partners' analysis for The Council of Insurance Agents & Brokers  
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# The Accountable Care Movement



## Pre-ACO

**Fee for Service:** A “traditional” payment system in which provider organizations receive separate payments for each individual service provided to patients

**Care Management:** A payment to provider organizations for certain non-face-to-face care coordination services furnished to patients with multiple chronic conditions

**Pay for Performance:** A payment approach in which provider organizations are rewarded or penalized based on adherence to predetermined quality metrics, such as meaningful use, patient quality, or value-based purchasing

## ACO

**Shared Savings:** A payment approach whereby a provider organization shares in the savings (but not in the losses) that accrue to a payer when actual spending for a defined population is less than a target amount

**Shared Savings / Shared Losses:** A payment approach whereby a provider organization shares in the savings and losses that accrue to a payer when actual spending for a defined population is less or more than a target amount

**Partial Capitation:** A payment approach in which only certain types or categories of services are paid on a capitated basis; typical examples of this include capitation for primary care services, specialty care or other services such as mental health

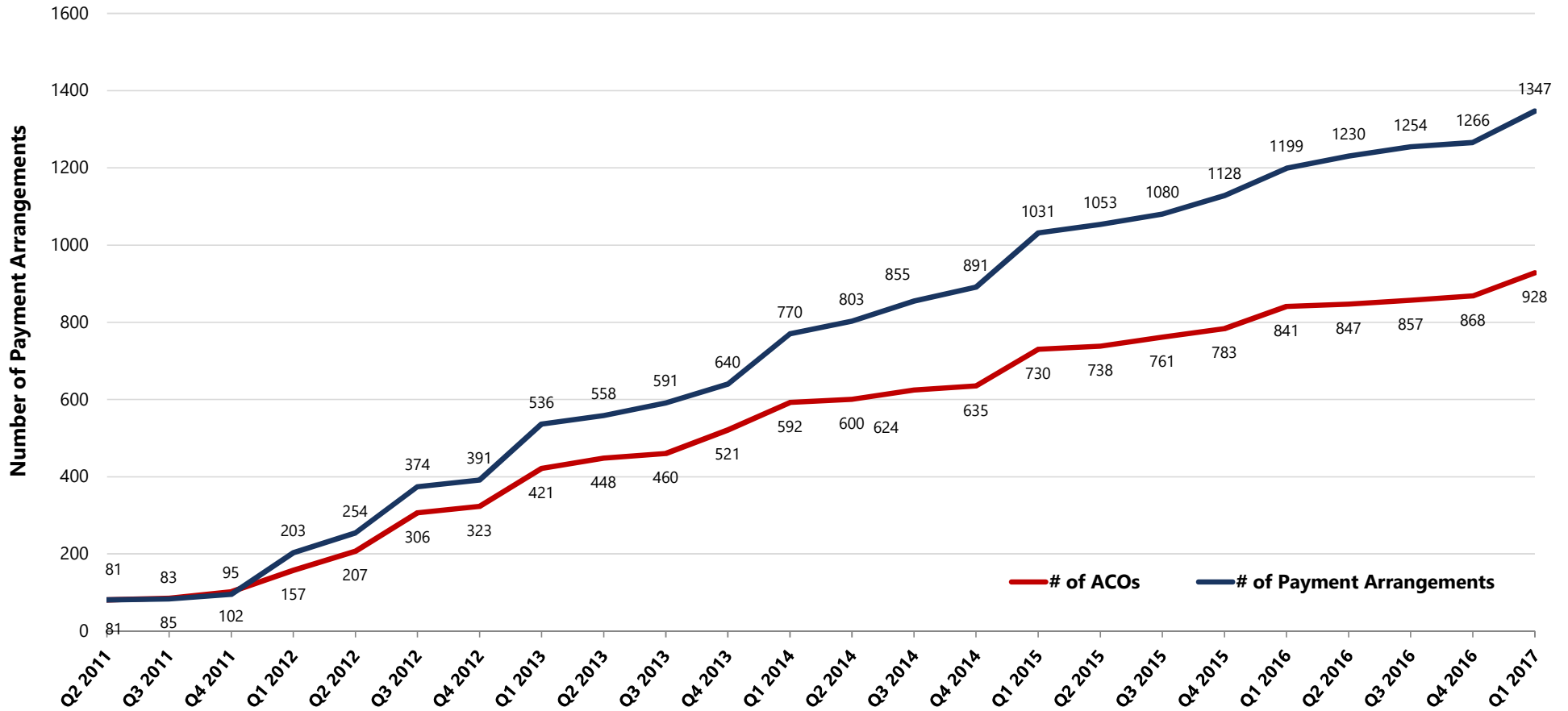
**Full Capitation:** A single payment made to a provider organization to cover the cost of a predefined set of services delivered to a patient



# ACO Growth

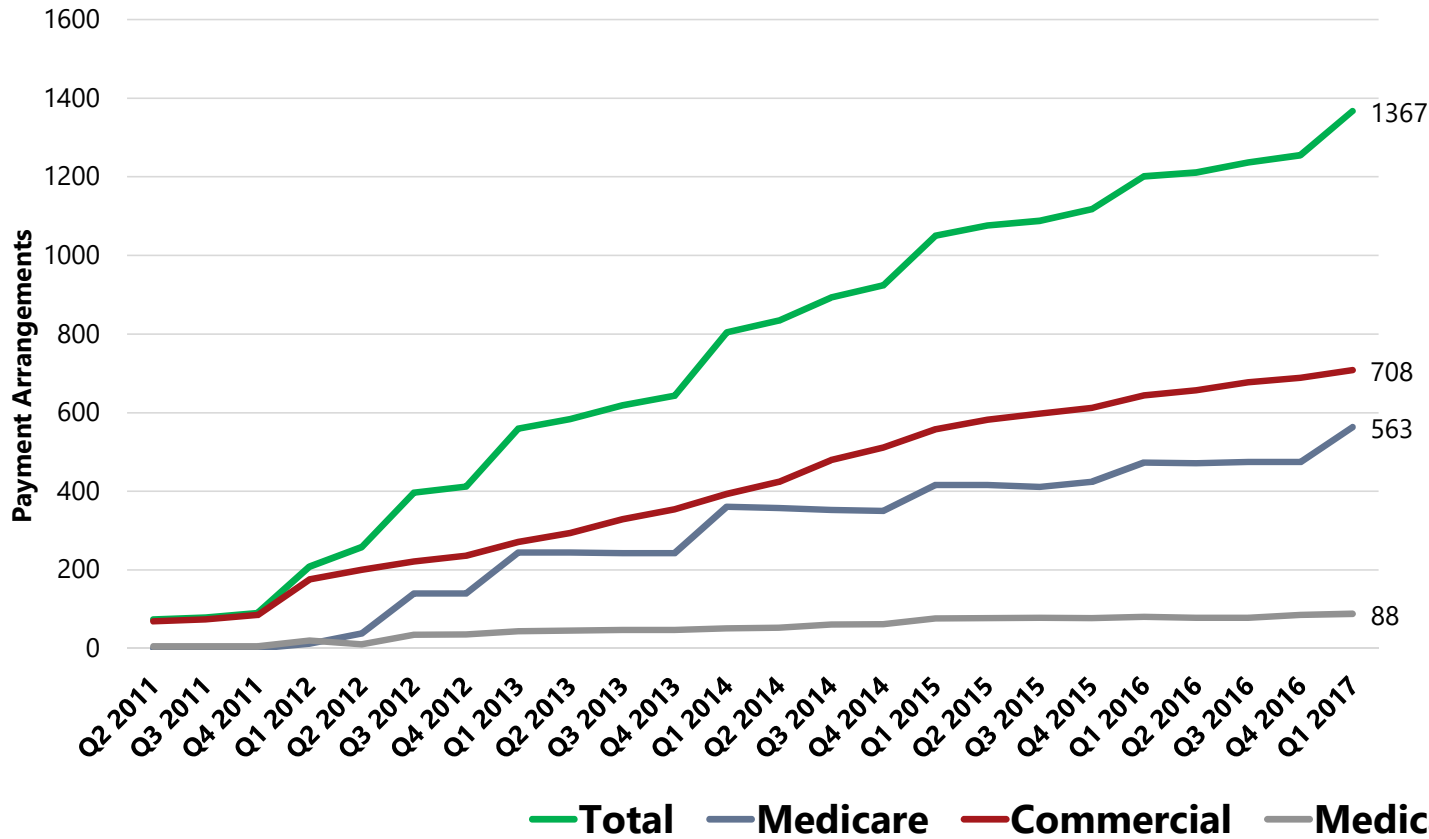
**Total ACOs: 928**  
**Total Contracts: 1,347**

**ACO Growth vs. Contract Growth Over Time**

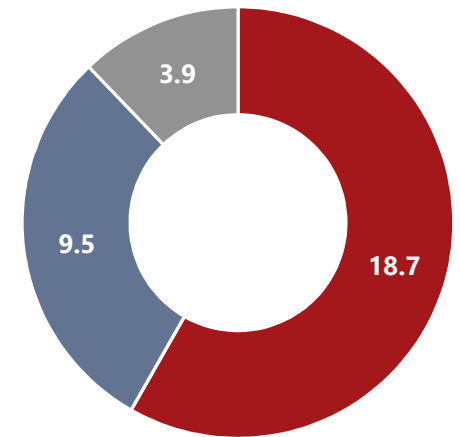


# ACO Growth By Payer

Total ACO Lives: 32.1 Million



ACO Lives Per Payer (in Millions)



Source: Leavitt Partners Center for Accountable Care Intelligence

**Thank You!**  
**Questions?**